

From: John Blake
To: Paul Baker
Date: 6/20/03 2:34PM
Subject: Re: Miracle Rock

*Please file
M 6/05/04*

I think we can work with you. The bonds we hold from Miracle Rock are in the form of CDs and a cash deposit. We could dedicate a large portion of the bond money to reclamation and keep say \$500 aside for royalty payment.

>>> Paul Baker 06/19/03 07:34AM >>>

We now (finally) have a notice of intention to convert this from a small mine to a large mine which requires a reclamation bond. Our notice of noncompliance required that they submit an interim bond of \$30,000 (\$5000/acre), but that has not happened.

Is there any way of separating out a portion of the bond money you hold and saying it's for royalties and a portion for reclamation? If SITLA only had the mineral rights and not the surface, how much bond would you anticipate needing for royalties? Would SITLA have a problem with DOGM considering a certain amount of this money as reclamation bond?

I would appreciate any insight you can give in this regard. I believe Miracle Rock would have trouble coming up with much money for a reclamation bond, but they need one.

Thanks for your help.

>>> John Blake 05/13/03 10:59AM >>>

No. They may be tapped for lease royalty payments also.

>>> Paul Baker 05/13/03 10:57AM >>>

Are these all dedicated to reclamation?

>>> John Blake 05/13/03 10:07AM >>>

We hold the following bonds from Miracle Rock:

CD #59159107 - \$2,000, on lease ML 42844 & ML 42844A
CD # 2038858 - \$3,000, "
Cash Deposit - \$7,500, on lease ML 42844A

>>> Paul Baker 05/09/03 09:31AM >>>

I believe Miracle Rock Mining and Research (Dave Taylor) has one or more bonds with you. Can you tell me how much bond money is dedicated to reclamation?

As I think you know, I wrote them a noncompliance in March, and they're supposed to have a \$30,000 bond to us by next week. It sounds like they may not make that deadline. Dave's wife (45 years old) passed away last week after a protracted battle with cancer, and Dave hasn't worked much in the last two months.